Dexus Wholesale Australian Property Fund
Annual Report
30 June 2024

ARSN: 088 996 392

Contents

Dexus Wholesale Australian Property Fund (DWAPF) was formed and domiciled in Australia. Dexus Capital Funds Management Limited (DCFM) is the appointed Responsible Entity for DWAPF. DCFM is a wholly owned subsidiary of Dexus Holdings Pty Limited (DXH) which forms part of Dexus (DXS or the Dexus Group).

The registered office of DXH is Level 30, Quay Quarter Tower, 50 Bridge Street, Sydney, NSW 2000.

Directors' Report

The Directors of Dexus Capital Funds Management Limited (DCFM) as Responsible Entity of Dexus Wholesale Australian Property Fund (DWAPF) present their Directors' Report together with the Consolidated Financial Statements for the year ended 30 June 2024. The Consolidated Financial Statements represent DWAPF and its controlled entity, which are referred to as the Fund.

Directors

The following persons were Directors of DCFM at all times during the year and to the date of this Directors' Report, unless otherwise stated:

Directors	Appointed
Andrew Stainer	24 March 2023
Deborah Coakley[1]	24 March 2023
Jennifer Horrigan	24 March 2023
Lisa Scenna	24 March 2023
Michael Sheffield	18 July 2024
Brett Cameron - Alternate Director[2]	24 March 2023

1 Resigned, effective 18 July 2024.
2 Ceased as alternate director for Deborah Coakley on 18 July 2024, and was appointed as alternate director for Michael Sheffield on 18 July 2024.

Directors' relevant interests

As at the date of this Directors' Report, no Director directly held:

- options over or any other contractual interest in units in the Fund; or
- units in the Fund.

Principal activities

During the year the principal activity of the Fund was to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of DWAPF's Constitution.

The Fund invests primarily in direct properties (office, industrial and retail) and cash and cash equivalents. The Fund may also invest in healthcare and other commercial properties together with investments in ASX-listed Australian Real Estate Investment Trusts ("AREITs") and unlisted funds.

There were no significant changes in the nature of the Fund's activities during the year.

Review and results of operations

The relevant financial information of the Fund for the year ended 30 June 2024 is as follows:

- net loss for the year was $246.9 million (2023: loss $30.9 million)
- total distributions, including returns of capital, paid and payable to unitholders were $80.5 million (2023: $86.4 million)
- total assets were $1,887.8 million (2023: $2,424.9 million)
- net assets were $1,294.2 million (2023: $1,690.7 million)

On 21 December 2023, settlement occurred for the disposal of Connect Corporate Centre 1, NSW for $39.4 million excluding transaction costs.

On 31 January 2024, settlement occurred for the disposal of 124 Walker St, North Sydney, NSW for $89.8 million excluding transaction costs.

On 31 January 2024, Dexus Group acquired a further co-investment stake in the Fund for total consideration of $68.0 million excluding transaction costs.

On 9 February 2024, settlement occurred for the disposal of 12 Moore Street, Canberra, ACT for $46.1 million excluding transaction costs.

On 9 May 2024, settlement occurred for the disposal of CentralWest DC, Laverton, VIC for $86.9 million excluding transaction costs.

On 10 May 2024, settlement occurred for the disposal of 704-744 Lorimer Street, Port Melbourne, VIC for $60.8 million excluding transaction costs.

A review of the Fund's results is set out in the DWAPF 30 June 2024 Quarterly Report, which is available to investors on the DWAPF Investor Services website.

Total value of Fund assets

The total value of the assets of the Fund as at 30 June 2024 was $1,887.8 million (2023: $2,424.9 million). Details of the basis of this valuation are outlined in the Notes to the Consolidated Financial Statements and form part of this Directors' Report.

Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information regarding business strategies and future developments or results of the Fund, other than the information already outlined in this Directors' Report or the Consolidated Financial Statements accompanying this Directors' Report would be unreasonably prejudicial to the Fund.

Significant changes in the state of affairs

Debt refinancing arrangements

On 25 August 2023, the Fund's $200 million and $175 million bank debt facilities maturing on 12 November 2023 and 29 May 2024, respectively, were refinanced. The terms were extended to 25 August 2026, with the facility limits remaining unchanged.

On 31 October 2023, the Fund entered into a new $65 million bank debt facility which matures on 31 October 2025.

Withdrawal arrangements

On 31 October 2023, the Responsible Entity announced that it would aim to process and pay withdrawal requests within twelve months of receiving the request (applicable to withdrawal requests submitted after 1pm on 15 May 2023. Prior to this the Responsible Entity aimed to process withdrawal requests within six months of a specified withdrawal date). The Fund's Constitution allows withdrawal requests to be paid within 12 months of receipt or longer, subject to certain conditions. As at 30 June 2024, the estimated value of outstanding withdrawal requests was $216.6 million which are intended to be settled no later than 12 months after date of request. The amount payable on redemption of the units will be determined based on the unit price of the Fund as at the last valuation date before the Responsible Entity processes the payment of a withdrawal request and calculated in accordance with the withdrawal price formula set out in DWAPF's Constitution. At the date of this report, the Fund had available undrawn facilities of $206.0 million. The Responsible Entity has also identified a number of assets which are likely to be marketed for sale over the next 12 months and is actively looking to sell a number of these properties with the proceeds to be partly used to satisfy redemption requests.

During the financial year, the Fund had no other significant changes in its state of affairs.

Matters subsequent to the end of the financial year

Since the end of the year, the Directors are not aware of any matter or circumstance not otherwise dealt with in their Directors' Report or the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or state of the Fund's affairs in future financial periods.

Distributions

Distributions paid or payable by the Fund for the year ended 30 June 2024 are outlined in note 4 of the Notes to the Consolidated Financial Statements.

DCFM fees

Details of fees paid or payable by the Fund to DCFM for the year ended 30 June 2024 are outlined in note 14 of the Notes to the Consolidated Financial Statements.

Interests in DWAPF units

The movement in units on issue in the Fund during the year and the number of units on issue as at 30 June 2024 are detailed in note 10 and form part of this Directors' Report.

Interests held in the Fund by DCFM or its associates at the end of the financial year is detailed in note 14 of the Notes to the Consolidated Financial Statements.

Environmental regulation

The Responsible Entity, DCFM, is part of the Dexus Group. The Dexus Risk and Compliance Committee and Dexus Board Sustainability Committee oversee the policies, procedures and systems that have been implemented to ensure the adequacy of Dexus' environmental risk management practices. The Committees are not aware of any material breaches of the Corporations Act or Regulatory Guide 68.

The Dexus Group is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 (NGER Act). The NGER Act requires the Dexus Group to report its annual greenhouse gas emissions and energy use.

The Dexus Group has implemented systems and processes for the collection and calculation of the data required. The Dexus Group submitted its 2023 report to the Greenhouse and Energy Data Officer on 30 October 2023 and will submit its 2024 report by 31 October 2024. During the 12 month period ending 30 June 2024, the Dexus Group complied with all the relevant requirements as set out by the NGER Act.

Information regarding the Dexus Group's sustainability approach is available at: www.dexus.com/sustainability

Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, Officers and others (as defined in the relevant policy of insurance) is paid by DCFM's parent entity, Dexus Holdings Pty Limited (DXH).

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of the Responsible Entity, its subsidiaries or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

Ernst & Young (EY or the Auditor), is indemnified out of the assets of the Responsible Entity pursuant to the General Terms and Conditions agreed for all engagements with EY, to the extent that the Responsible Entity inappropriately uses or discloses a report prepared by EY. The Auditor is not indemnified for the provision of services where such an indemnification is prohibited by the *Corporations Act 2001*.

Audit

Auditor

EY continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

The Fund may decide to employ the Auditor on assignments, in addition to the statutory audit engagement, where the Auditor's expertise and experience with the Fund are important.

Details of the amounts paid or payable to the Auditor for audit and non-audit services provided during the year are set out in note 12 of the Notes to the Consolidated Financial Statements. The Auditor did not provide non-audit services during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this Directors' Report.

Rounding of amounts and currency

As the Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Consolidated Financial Statements to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Consolidated Financial Statements, except where otherwise stated, are expressed in Australian dollars.

Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Consolidated Financial Statements were authorised for issue by the Directors on 20 September 2024.

Director
20 September 2024

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Auditor's independence declaration to the Directors of Dexus Capital Funds Management Limited, the Responsible Entity of Dexus Wholesale Australian Property Fund

As lead auditor for the audit of the financial report of Dexus Wholesale Australian Property Fund for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dexus Wholesale Australian Property Fund and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

AEwan

Anthony Ewan
Partner
20 September 2024

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $000	2023 $000
Revenue from ordinary activities			
Property revenue	1	**165,411**	152,710
Interest revenue		**906**	433
Total revenue from ordinary activities		**166,317**	153,143
Net fair value gain of derivatives		**–**	1,250
Total income		**166,317**	154,393
Expenses			
Property expenses	1	**(51,472)**	(46,536)
Management fee expense	14	**(15,797)**	(15,234)
Custodian Fees	14	**(793)**	(817)
Finance costs	2	**(40,039)**	(27,338)
Net fair value loss of derivatives	7(c)	**(216)**	–
Net fair value loss of investment properties	5	**(303,792)**	(94,727)
Management operations, corporate and administration expenses		**(1,117)**	(687)
Total expenses		**(413,226)**	(185,339)
Loss for the year attributable to unitholders		**(246,909)**	(30,946)
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(246,909)**	(30,946)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $000	2023 $000
Current assets			
Cash and cash equivalents	11(a)	**4,021**	4,568
Receivables	11(b)	**10,624**	10,095
Non-current assets classified as held for sale	6	**–**	49,500
Derivative financial instruments	7(c)	**717**	468
Other	11(c)	**3,591**	–
Total current assets		**18,953**	64,631
Non-current assets			
Investment properties	5	**1,868,084**	2,359,470
Derivative financial instruments	7(c)	**731**	782
Total non-current assets		**1,868,815**	2,360,252
Total assets		**1,887,768**	2,424,883
Current liabilities			
Payables	11(d)	**28,337**	20,057
Development fee liability	14	**28,601**	–
Interest bearing liabilities	8	**–**	374,756
Derivative financial instruments	7(c)	**46**	–
Distributions payable	4	**12,151**	14,264
Returns of capital payable	4	**7,049**	9,504
Provisions	11(e)	**2,380**	–
Total current liabilities		**78,564**	418,581
Non-current liabilities			
Interest bearing liabilities	8	**514,678**	315,571
Derivative financial instruments	7(c)	**303**	–
Total non-current liabilities		**514,981**	315,571
Total liabilities		**593,545**	734,152
Net assets attributable to unitholders - Equity		**1,294,223**	1,690,731

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Net Assets Attributable to Unitholders - Equity

For the year ended 30 June 2024

	Note	Total equity $000
Opening balance as at 1 July 2022		1,654,453
Net profit/(loss) for the year		(30,946)
Other comprehensive income/(loss) for the year		–
Total comprehensive income/(loss) for the year		(30,946)
Transactions with owners in their capacity as owners		
Returns of capital	4	(20,454)
Applications		440,826
Distributions to unitholders reinvested		3,628
Redemptions		(290,785)
Distributions paid or provided for	4	(65,991)
Total transactions with owners in their capacity as owners		67,224
Closing balance as at 30 June 2023		1,690,731
Opening balance as at 1 July 2023		**1,690,731**
Net profit/(loss) for the year		**(246,909)**
Total comprehensive income/(loss) for the year		**(246,909)**
Transactions with owners in their capacity as owners		
Returns of capital	4	**(27,176)**
Applications		**95,891**
Distributions to unitholders reinvested		**2,662**
Redemptions		**(167,612)**
Distributions paid or provided for	4	**(53,364)**
Total transactions with owners in their capacity as owners		**(149,599)**
Closing balance as at 30 June 2024		**1,294,223**

The above Consolidated Statement of Changes in Net Assets Attributable to Unitholders - Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $000	2023 $000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**186,645**	173,478
Payments in the course of operations (inclusive of GST)		**(64,957)**	(66,452)
Interest received		**906**	433
Finance costs paid		**(37,134)**	(26,561)
Custodian fees paid		**(824)**	(807)
Management fees paid		**(15,644)**	(15,047)
Net cash inflow/(outflow) from operating activities	13	**68,992**	65,044
Cash flows from investing activities			
Proceeds from sale of investment properties		**317,746**	1,000
Payments for capital expenditure on investment properties		**(33,046)**	(45,965)
Payments for acquisition of investment properties		**–**	(15,351)
Net cash inflow/(outflow) from investing activities		**284,700**	(60,316)
Cash flows from financing activities			
Proceeds from applications by unitholders		**72,412**	166,608
Payments for redemptions by unitholders		**(167,612)**	(290,850)
Proceeds from borrowings		**90,000**	251,500
Repayment of borrowings		**(265,500)**	(60,000)
Borrowing costs paid		**(1,093)**	(508)
Distributions paid to unitholders		**(52,815)**	(66,782)
Returns of capital paid		**(29,631)**	(13,802)
Net cash inflow/(outflow) from financing activities		**(354,239)**	(13,834)
Net increase/(decrease) in cash and cash equivalents		**(547)**	(9,106)
Cash and cash equivalents at the beginning of the year		**4,568**	13,674
Cash and cash equivalents at the end of the year		**4,021**	4,568

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

In this section

This section sets out the basis upon which the Fund's Consolidated Financial Statements are prepared.

Specific accounting policies are described in their respective Notes to the Consolidated Financial Statements.

Basis of preparation

These Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with the requirements of the Constitutions of the entities within the Fund, the *Corporations Act 2001* and Australian Accounting Standards issued by the Australian Accounting Standards Board.

The Fund is a for-profit entity for the purpose of preparing the Consolidated Financial Statements.

Unless otherwise stated, the Consolidated Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year. Where required, comparative information has been restated for consistency with the current year's presentation.

The Consolidated Financial Statements are presented in Australian dollars, with all values rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Consolidated Financial Statements have been prepared on a going concern basis using the historical cost convention, except for investment properties and derivative financial instruments which are stated at their fair value.

Net current asset deficiency

As at 30 June 2024, the Fund had a net current asset deficiency of $59.6 million. This is primarily due to development fee liability of $28.6 million and distribution and return of capital payable of $19.2m (2023: $23.8m). The Fund has in place funding arrangements to support the cash flow requirements of the Fund, including undrawn debt facilities of $284.0m (2023: $58.5m). In addition, the Responsible Entity has identified a number of assets which are likely to be marketed for sale over the next 12 months and is actively looking to sell a number of these properties.

In determining the basis of preparation of the Consolidated Financial Statements, the Directors of the Responsible Entity have taken into consideration the unutilised debt facilities available to the Fund together with forecast sale proceeds from certain identified assets to be marketed for sale over the next 12 months. As such, the Fund is a going concern and the Consolidated Financial Statements have been prepared on that basis.

Critical accounting estimates

The preparation of the Consolidated Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has considered the current economic environment including the impacts of persistent inflation and elevated interest rates and the estimates and assumptions used for the measurement of items such as investment properties.

No other key assumptions concerning the future or other estimation uncertainty at the end of the reporting period could have a significant risk of causing material adjustments to the Consolidated Financial Statements.

Climate change

On 26 June 2023, the International Sustainability Standards Board (ISSB) released new sustainability standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. Subsequently, the Australian Accounting Standards Board (AASB) issued Exposure Draft "*Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*" and on 27 March 2024, the "*Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*" was introduced into Parliament. Under the proposed Bill, the new reporting requirements will be mandatory for the year ended 30 June 2028 for the Fund. The Fund is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Consolidated Financial Statements. Refer to specific considerations relating to Investment Properties within note 5(c) Investment Properties.

Principles of consolidation

The Consolidated Financial Statements of DWAPF incorporate the assets and liabilities of the entities controlled by DWAPF at 30 June 2024. The effects of all transactions between entities in the consolidated entity are eliminated in full.

a. Controlled entities

Subsidiaries are all entities over which the Fund has control. The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases.

b. Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Joint operations

Where assets are held directly as tenants in common, the Fund's proportionate share of revenues, expenses, assets and liabilities are included in their respective items of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

Goods and services tax

Revenues, expenses and capital assets are recognised net of any amount of Australian Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as cash flows from operating activities.

Notes to the Consolidated Financial Statements

The Notes include information which is required to understand the Consolidated Financial Statements and is material and relevant to the operations, financial position and performance of the Fund.

The Notes are organised into the following sections:

Fund performance	Property portfolio assets	Capital and financial risk management and working capital	Other disclosures
1. Property revenue and expenses	5. Investment properties	7. Capital and financial risk management	12. Audit and assurance fees
2. Finance costs	6. Non-current assets classified as held for sale	8. Interest bearing liabilities	13. Cash flow information
3. Taxation		9. Commitments and contingencies	14. Related parties
4. Distributions paid and payable		10. Net assets attributable to unitholders	15. Parent entity disclosures
		11. Working capital	16. Subsequent events

Fund performance

In this section

This section explains the results and performance of the Fund.

It provides additional information about those individual line items in the Consolidated Financial Statements that the Directors consider most relevant in the context of the operations of the Fund, including:

- Property revenue and expenses;
- Finance costs;
- Taxation; and
- Distributions paid and payable.

Note 1 Property revenue and expenses

Property rental revenue is derived from holding properties as investment properties and earning rental yields over time. Rental revenue is recognised on a straight line basis over the lease term for leases with fixed rent review clauses.

Prospective tenants may be offered incentives as an inducement to enter into operating leases. The costs of incentives are recognised as a reduction of rental revenue being incentive amortisation calculated on a straight line basis from the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

Within its lease arrangements, the Fund provides certain services to tenants (such as utilities, cleaning, maintenance and certain parking arrangements) which are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. A portion of the consideration within the lease arrangements is therefore allocated to services revenue within property revenue.

	2024 $000	2023 $000
Rent and recoverable outgoings	**140,543**	138,544
Services revenue	**17,665**	14,469
Incentive amortisation	**(13,011)**	(4,953)
Other revenue	**20,214**	4,650
Total property revenue	**165,411**	152,710

Property expenses

Property expenses include:

- Rates;
- Taxes;
- Expected credit losses on receivables; and
- Other property outgoings incurred in relation to investment properties.

These expenses are recognised in the Consolidated Statement of Comprehensive Income on an accrual basis. If these items are recovered from a tenant by the Fund, they are recorded within services revenue or direct recoveries within property revenue.

	2024 $000	2023 $000
Recoverable outgoings	**46,103**	41,728
Other non-recoverable property expenses	**5,369**	4,808
Total property expenses	**51,472**	46,536

Note 2 Finance costs

Finance costs include:

- Interest;
- Amortisation or other costs incurred in connection with arrangement of borrowings;
- Realised gains and losses on interest rate swaps.

Finance costs are expensed as incurred unless they are directly attributable to qualifying assets which are capitalised to the cost of the asset.

Note 2 Finance costs (continued)

	2024 $000	2023 $000
Interest paid/payable	**39,298**	26,616
Realised (gain)/loss on interest rate swaps	**(255)**	(11)
Other finance costs	**996**	733
Total finance costs	**40,039**	27,338

Note 3 Taxation

Under current Australian income tax legislation, the Fund is generally not liable to pay income tax because the Attribution Managed Investment Trust (AMIT) tax regime applies and unitholders are attributed the income of the Fund.

Attribution managed investment trust regime

DWAPF elected to be an AMIT for the year ended 30 June 2018 and subsequent years. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

Note 4 Distributions paid and payable

In accordance with the Fund Constitutions, the Fund distributes its distributable income to unitholders by cash or reinvestment in new units. Distributions are provided for in accordance with the Fund Constitutions at each quarter end.

a. Distributions to unitholders

	2024 $000	2023 $000
30 September (paid 12 October 2023)	**13,834**	18,251
31 December (paid 17 January 2024)	**13,050**	17,076
31 March (paid 18 April 2024)	**14,329**	16,400
30 June (paid 18 July 2024)	**12,151**	14,264
Total distribution to unitholders	**53,364**	65,991

b. Distribution rate

	2024 Cents per unit	2023 Cents per unit
30 September (paid 12 October 2023)	**1.05**	1.53
31 December (paid 17 January 2024)	**1.01**	1.48
31 March (paid 18 April 2024)	**1.05**	1.47
30 June (paid 18 July 2024)	**0.97**	1.09
Total distribution rate	**4.08**	5.57

c. Returns of Capital

	2024 $000	2023 $000
30 September (paid 12 October 2023)	**6,537**	3,364
31 December (paid 17 January 2024)	**6,919**	3,791
31 March (paid 18 April 2024)	**6,671**	3,795
30 June (paid 18 July 2024)	**7,049**	9,504
Total returns of capital	**27,176**	20,454

d. Returns of Capital rate

	2024 Cents per unit	2023 Cents per unit
30 September (paid 12 October 2023)	**0.49**	0.28
31 December (paid 17 January 2024)	**0.53**	0.33
31 March (paid 18 April 2024)	**0.49**	0.34
30 June (paid 18 July 2024)	**0.57**	0.72
Total returns of capital rate	**2.08**	1.67

Property portfolio assets

In this section

The following table summarises the property portfolio assets of the Fund detailed in this section.

30 June 2024	Note	Office $000	Industrial $000	Retail $000	Total $000
Investment properties	5	433,050	836,534	598,500	**1,868,084**
Non-current assets classified as held for sale	6	–	–	–	**–**
		433,050	**836,534**	**598,500**	**1,868,084**

Property portfolio assets are used to generate the Fund's performance. The assets are detailed in the following notes:

- **Investment properties:** relates to investment properties, both stabilised and under development.
- **Non-current assets classified as held for sale:** relates to investment properties which are expected to be sold within 12 months of the reporting date and/or contracts have already exchanged.

Note 5 Investment properties

The Fund's investment properties consist of properties held for long-term rental yields and/or capital appreciation and property that is being constructed or developed for future use as investment property. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently measured at fair value.

The basis of valuations of investment properties is fair value, being the estimated price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Changes in fair values are recorded in the Consolidated Statement of Comprehensive Income. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Consolidated Statement of Comprehensive Income in the year of disposal.

Subsequent redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property.

Leasing fees incurred and incentives provided are capitalised and amortised over the lease periods to which they relate.

a. Reconciliation

	Note	Office $000	Industrial $000	Retail $000	2024 $000	2023 $000
Opening balance		**690,500**	**1,054,470**	**614,500**	**2,359,470**	2,175,179
Additions		**9,985**	**54,281**	**3,383**	**67,649**	37,201
Acquisitions		**–**	**–**	**–**	**–**	290,649
Lease incentives		**8,994**	**8,533**	**3,129**	**20,656**	4,068
Amortisation of lease incentives		**(5,068)**	**(6,056)**	**(2,298)**	**(13,422)**	(3,918)
Rent straightlining		**1,606**	**2,635**	**1,528**	**5,769**	518
Disposals		**(133,753)**	**(183,993)**	**–**	**(317,746)**	–
Transfer (to)/from non-current assets classified as held for sale	6	**–**	**49,500**	**–**	**49,500**	(49,500)
Net fair value gain/(loss) of investment properties		**(139,214)**	**(142,836)**	**(21,742)**	**(303,792)**	(94,727)
Closing balance		**433,050**	**836,534**	**598,500**	**1,868,084**	2,359,470

Disposals

Date	Property Name	Net proceeds[1] $000
21 December 2023	Connect Corporate Centre 1, NSW	**39,355**
31 January 2024	124 Walker St, North Sydney, NSW	**89,806**
9 February 2024	12 Moore Street, Canberra, ACT	**46,119**
9 May 2024	CentralWest DC, Laverton, VIC	**86,856**
10 May 2024	704-744 Lorimer Street, Port Melbourne, VIC	**60,819**

1 Excludes transaction costs.

Note 5 Investment properties (continued)

b. Valuation process

Properties independently valued in the last 12 months were based on independent assessments by a member of the Australian Property Institute who is instructed in accordance with all applicable regulatory requirements. Independent valuations of individual investment properties are carried out in accordance with the Fund's Valuation Policy and each property is independently valued every quarter. Each valuation firm and its signatory valuer are appointed on the basis that they are engaged for no more than two years. At 30 June 2024, all investment properties have been externally valued except for one property which was externally valued at 31 March 2024.

An appropriate valuation methodology is utilised according to asset class. This includes the capitalisation approach (market approach) and the discounted cash flow approach (income approach). The valuation is also compared to, and supported by, direct comparison to recent market transactions. The adopted capitalisation rates and discount rates are determined based on industry expertise and knowledge and, where possible, a direct comparison to third party rates for similar assets in a comparable location. Rental revenue from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also factored into each asset assessment of fair value.

In relation to development properties under construction for future use as investment property, where reliably measurable, fair value is determined based on the market value of the property on the assumption it had already been completed at the valuation date (using the methodology as outlined above) less costs still required to complete the project, including an appropriate adjustment for industry benchmarked profit and development risk.

c. Sustainability valuation considerations

The Fund engages independent valuation firms to assist in determining fair value of the investment property assets at each reporting period. As qualified valuers, they are required to follow both the *RICS Valuation - Global Standards* and the Australian Property Institute's International Valuation Standards, and accordingly their valuations are required to take into account the sustainability features of properties being valued and the implications such factors could have on property values in the short, medium and longer term.

Where relevant, the Fund's independent valuation firms note in their valuation reports that sustainability features are considered as part of the valuation approach and that sustainability features have been influencing value for some time.

Where the independent valuation firms give consideration to the impacts of sustainability, they are incorporating their understanding of how market participants consider the impact of sustainability on market valuations, noting that valuers should reflect markets and not lead them.

d. Fair value measurement, valuation techniques and inputs

The following table represents the level of the fair value hierarchy and the associated unobservable inputs utilised in the fair value measurement for each class of investment property.

			Range of unobservable inputs	
Class of property	Fair value hierarchy	Inputs used to measure fair value	2024	2023
Office	Level 3	Adopted capitalisation rate	**5.75% - 8.00%**	4.63% - 7.00%
		Adopted discount rate	**6.50% - 8.13%**	5.25% - 7.25%
		Adopted terminal yield	**6.00% - 8.25%**	4.88% - 7.25%
		Net market rental (per sqm)	**$415 - $958**	$309 - $906
Industrial	Level 3	Adopted capitalisation rate	**5.38% - 7.75%**	4.50% - 5.75%
		Adopted discount rate	**6.75% - 8.13%**	5.88% - 6.50%
		Adopted terminal yield	**5.63% - 8.00%**	4.75% - 6.25%
		Net market rental (per sqm)	**$122 - $636**	$95 - $207
Retail	Level 3	Adopted capitalisation rate	**5.75% - 6.50%**	5.25% - 6.25%
		Adopted discount rate	**7.00% - 7.50%**	6.25% - 7.00%
		Adopted terminal yield	**6.00% - 6.75%**	5.50% - 6.50%
		Net market rental (per sqm)	**$356 - $756**	$350 - $751

Critical accounting estimates: inputs used to measure fair value of investment properties

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Adopted discount rate:** The rate of return used to convert cash flows, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is, the rate of return the cash can earn if put to other uses having similar risk. The rate is determined with regard to market evidence and the prior external valuation.
- **Adopted terminal yield:** The capitalisation rate used to convert the future net market rental revenue into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

Note 5 Investment properties (continued)

e. Impact of the current economic environment on the fair value of investment properties

The elevated levels of economic uncertainty, coupled with a lack of recent comparable transactions in the market, has created heightened levels of judgment when deriving the fair value of the Fund's investment property portfolio.

Whilst the fair values of investment property can be relied upon at the date of valuation, a higher level of valuation uncertainty than normal is assumed. A sensitivity analysis has been included in note 5(f), showing indicative movements in investment property valuations should certain significant unobservable inputs differ by reasonably possible amounts from those assumed in the valuations.

f. Sensitivity information

Significant movement in any one of the valuation inputs listed in the table above may result in a change in the fair value of the Fund's investment properties as shown below.

The estimated impact of a change in certain significant unobservable inputs would result in a change in the fair value as follows:

	Office		Industrial		Retail	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
A decrease of 25 basis points in the adopted capitalisation rate	**15,591**	47,902	**33,865**	36,928	**25,738**	28,657
An increase of 25 basis points in the adopted capitalisation rate	**(14,544)**	(44,037)	**(31,328)**	(33,424)	**(23,700)**	(26,212)
A decrease of 25 basis points in the adopted discount rate	**14,727**	43,320	**29,028**	29,931	**21,614**	24,224
An increase of 25 basis points in the adopted discount rate	**(13,789)**	(40,134)	**(27,144)**	(27,587)	**(20,158)**	(22,454)
A decrease of 5% in the net market rental (per sqm)	**(21,653)**	(54,575)	**(41,827)**	(35,218)	**(29,925)**	(30,725)
An increase of 5% in the net market rental (per sqm)	**21,653**	54,575	**41,827**	35,218	**29,925**	30,725

Generally, a change in the assumption made for the adopted capitalisation rate is often accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate forms part of the capitalisation approach while the adopted terminal yield forms part of the discounted cash flow approach.

Under the capitalisation approach, the net market rental has a strong interrelationship with the adopted capitalisation rate as the fair value of the investment property is derived by capitalising, in perpetuity, the total net market rent receivable. An increase (softening) in the adopted capitalisation rate would offset the impact to fair value of an increase in the net market rent. A decrease (tightening) in the adopted capitalisation rate would also offset the impact to fair value of a decrease in the net market rent. Directionally opposite changes in the net market rent and the adopted capitalisation rate would increase the impact to fair value.

The discounted cash flow is primarily made up of the discounted cash flow of net income over the cash flow period and the discounted terminal value (which is largely based upon market rents grown at forecast market rental growth rates capitalised at an adopted terminal yield). An increase (softening) in the adopted discount rate would offset the impact to fair value of a decrease (tightening) in the adopted terminal yield. A decrease (tightening) in the discount rate would offset the impact to fair value of an increase (softening) in the adopted terminal yield. Directionally similar changes in the adopted discount rate and the adopted terminal yield would increase the impact to fair value.

A decrease (softening) in the forecast rental growth rate may result in a negative impact on the discounted cash flow approach value while a strengthening may have a positive impact on the value under the same approach.

Note 6 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

At 30 June 2024, there were no investment properties held for sale.

At 30 June 2023, the balance related to 121 Evans Road, Salisbury. This asset was reclassified to investment property during the year ended 30 June 2024.

Capital and financial risk management and working capital

In this section

The Fund's overall risk management program focuses on reducing volatility from impacts of movements in financial markets and seeks to minimise potential adverse effects on the financial performance of the Fund.

Note 7 *Capital and financial risk management* outlines how the Fund manages its exposure to a variety of financial risks (interest rate risk, liquidity risk and credit risk) including details of the various derivative financial instruments entered into by the Fund.

The Board of the Responsible Entity determines the appropriate capital structure of the Fund, how much is borrowed from financial institutions (debt), and how much is raised from unitholders (equity) in order to finance the Fund's activities both now and in the future. This capital structure is detailed in the following notes:

- **Debt:** *Interest bearing liabilities* in note 8, and *Commitments and contingencies* in note 9;
- **Equity:** *Net assets attributable to unitholders* in note 10.

Note 11 provides a breakdown of the working capital balances held in the Consolidated Statement of Financial Position

Note 7 Capital and financial risk management

Capital and financial risk management is carried out through a centralised treasury function which is governed by a Board approved Treasury Policy. The Fund has an established governance structure which consists of the Executive Committee and Capital Markets Committee.

The Board is responsible for reviewing and approving financial risk management policies, funding strategies, and monitoring the implementation of strategies and approval of treasury transactions above delegated limits.

The Capital Markets Committee is a management committee that is accountable to the Board. It convenes no less than two times per year and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board, and the approval of treasury transactions within delegated limits and powers.

a. Capital risk management

The Fund manages its capital to ensure that entities within the Fund will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Fund consists of debt, cash and cash equivalents and net assets attributable to unitholders. The Fund continuously monitors its capital structure and it is managed in consideration of the following factors:

- The cost of capital and the financial risks associated with each class of capital;
- Gearing levels and other debt covenants;
- Potential impacts on net tangible assets and unitholders' equity; and
- Other market factors.

The Fund has a stated target gearing level of 0% to 15% with a maximum gearing level of 35% as at 30 June 2024 (increased to 45% on 29 July 2024). The table below details the calculation of the gearing ratio in accordance with its primary financial covenant requirements.

	2024 $000	2023 $000
Total interest bearing liabilities[1]	**516,000**	691,500
Total investment properties (including non-current assets classified as held for sale)	**1,868,084**	2,408,970
Gearing ratio	**27.6%**	28.7%

1 Total interest bearing liabilities excludes deferred borrowing costs.

The Fund is required to comply with certain financial covenants in respect of its interest bearing liabilities. During the 2024 and 2023 reporting periods, the Fund was in compliance with all of its financial covenants.

Note 7 Capital and financial risk management (continued)

b. Financial risk management

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Fund. The Fund's principal financial instruments, other than derivatives, comprise cash and bank loans. The main purpose of financial instruments is to manage liquidity and hedge the Fund's exposure to financial risks namely:

- Interest rate risk;
- Liquidity risk; and
- Credit risk.

The Fund uses derivatives to reduce the Fund's exposure to fluctuations in interest rates. These derivatives create an obligation or a right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative financial instruments that the Fund may use to hedge its risks include interest rate swaps.

The Fund does not trade in interest rate derivative instruments for speculative purposes. The Fund uses different methods to measure the different types of risks to which it is exposed, including monitoring the current and forecast levels of exposure and conducting sensitivity analysis.

i. Market risk

Interest rate risk

Interest rate risk arises from interest bearing financial assets and liabilities that the Fund utilises. The Fund's cash and borrowings which have a variable interest rate give rise to cash flow interest rate risk due to movements in variable interest rates.

The Fund's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its asset and liability portfolio through active management of the exposures. The policy prescribes minimum and maximum hedging amounts for the Fund, which is managed on a portfolio basis.

The Fund maintains variable rate debt. The Fund primarily enters into interest rate derivatives to manage the associated interest rate risk. The derivative contracts are recorded at fair value in the Consolidated Statement of Financial Position, using standard valuation techniques with market inputs.

Sensitivity analysis on interest expense

The table below shows the impact on the Fund's net interest expense of a 100 basis point movement in market interest rates. The sensitivity on cash flow arises due to the impact that a change in interest rates will have on the Fund's floating rate debt and derivative cash flows on average during the financial year. Net interest expense is only sensitive to movements in market rates to the extent that floating rate debt is not hedged.

	2024 (+/-) $000	2023 (+/-) $000
+/- 1% (100 basis points)	**3,938**	5,924

The movement in interest expense is proportional to the movement in interest rates.

Sensitivity analysis on fair value of interest rate derivatives

The sensitivity analysis on interest rate derivatives below shows the effect on net profit or loss of changes in the fair value of interest rate derivatives for a 100 basis point movement in market interest rates. The sensitivity on fair value arises from the impact that changes in market rates will have on the valuation of the interest rate derivatives.

The fair value of interest rate derivatives is calculated as the present value of estimated future cash flows on the instruments. Although interest rate derivatives are transacted for the purpose of providing the Fund with an economic hedge, the Fund has elected not to apply hedge accounting to these instruments. Accordingly, gains or losses arising from changes in the fair value are reflected in the profit or loss.

	2024 (+/-) $000	2023 (+/-) $000
+/- 1% (100 basis points)	**6,109**	2,550

ii. Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Fund's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows. The Fund identifies and manages liquidity risk across the following categories:

- Short-term liquidity risk management through ensuring the Fund has sufficient liquid assets, working capital and borrowings facilities to cover short-term financial obligations; and
- Funding and refinancing liquidity risk management through ensuring an adequate spread of maturities of borrowing facilities so that refinancing risk is not concentrated in certain time periods, subject to market conditions.

Refer to note 10 for disclosure of withdrawal arrangements under the Fund's Constitution including details of outstanding withdrawal requests received by the Responsible Entity.

Note 7 Capital and financial risk management (continued)

b. Financial risk management (continued)

ii. Liquidity risk (continued)

Refinancing risk

Refinancing risk is the risk that the Fund:

- Will be unable to refinance its debt facilities as they mature; and/or
- Will only be able to refinance its debt facilities at unfavourable interest rates and credit market conditions (margin price risk).

The Fund's key risk management strategy for margin price risk on refinancing is to spread the maturities of debt facilities over different time periods to reduce the volume of facilities to be refinanced and the exposure to market conditions in any one period.

	2024				2023			
	Within one year $000	Between one and two years $000	Between two and five years $000	After five years $000	Within one year $000	Between one and two years $000	Between two and five years $000	After five years $000
Payables	**(28,337)**	**–**	**–**	**–**	(20,057)	–	–	–
Development fee liability	**(28,601)**	**–**	**–**	**–**	–	–	–	–
Distributions payable	**(12,151)**	**–**	**–**	**–**	(14,264)	–	–	–
Returns of capital payable	**(7,049)**	**–**	**–**	**–**	(9,504)	–	–	–
Total payables, development fee, distributions and returns of capital payables	**(76,138)**	**–**	**–**	**–**	(43,825)	–	–	–
Interest bearing liabilities								
Floating interest rate liabilities	**(29,667)**	**(379,569)**	**(162,005)**	**–**	(406,718)	(19,371)	(327,343)	–
Total interest bearing liabilities	**(29,667)**	**(379,569)**	**(162,005)**	**–**	(406,718)	(19,371)	(327,343)	–

iii. Credit risk

Credit risk is the risk that the counterparty will not fulfil its obligations under the terms of a financial instrument and will cause financial loss to the Fund. The Fund has exposure to credit risk on financial assets included in the Fund's Consolidated Statement of Financial Position.

The Fund manages this risk by:

- Adopting a process for determining an approved counterparty, with consideration of qualitative factors as well as the counterparty's credit rating;
- Regularly monitoring counterparty exposure within approved credit limits that are based on the lower of an S&P and Moody's credit rating. The exposure includes the current market value of in-the-money contracts and the potential exposure, which is measured with reference to credit conversion factors as per APRA guidelines;
- Entering into International Swaps and Derivatives Association (ISDA) Master Agreements once a financial institution counterparty is approved;
- For some trade receivables, obtaining collateral where necessary in the form of bank guarantees and tenant bonds; and
- Regularly monitoring loans and receivables on an ongoing basis.

A minimum S&P rating of A– (or Moody's equivalent) is required to become or remain an approved counterparty unless otherwise approved by the Responsible Entity's Board.

The Fund is exposed to credit risk on cash balances and on derivative financial instruments with financial institutions. The Fund has a policy that sets limits as to the amount of credit exposure to each financial institution. New derivatives and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Fund's policy requirements.

Financial instrument transactions are spread among a number of approved financial institutions within specified credit limits to minimise the Fund's exposure to any one counterparty. As a result, there is no significant concentration of credit risk for financial instruments. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position.

The Fund is exposed to credit risk on trade receivable balances. The Fund has a policy to assess and monitor the credit quality of trade debtors on an ongoing basis. Given the historical profile and exposure of the trade receivables, it has been determined that no significant concentrations of credit risk exists for receivables balances. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of the receivables recognised on the Consolidated Statement of Financial Position.

Note 7 Capital and financial risk management (continued)

b. Financial risk management (continued)

iv. Fair value

The Fund uses the following methods in the determination and disclosure of the fair value of assets and liabilities:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable data.

All derivative financial instruments were measured at Level 2 for the periods presented in this report.

All investment properties were appropriately measured at Level 3 for the periods presented in this report.

During the year, there were no transfers between Level 1, 2 and 3 fair value measurements.

Since cash, receivables and payables are short-term in nature, their fair values are not materially different from their carrying amounts. The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Key assumptions: fair value of derivatives and interest bearing liabilities

The fair value of derivatives and interest bearing liabilities has been determined based on observable market inputs (interest rates) and applying a credit or debit value adjustment based on the current credit worthiness of counterparties and the Fund.

v. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position where there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. No financial assets and liabilities are currently held under netting arrangements.

c. Derivative financial instruments

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to an underlying benchmark, such as interest rates, and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure.

Written policies and limits are approved by the Board of Directors of the Responsible Entity, in relation to the use of financial instruments to manage financial risks. The Responsible Entity regularly reviews the Fund's exposures and updates its treasury policies and procedures. The Fund does not trade in interest rate derivative instruments for speculative purposes.

The Fund uses derivative contracts as part of its financial and business strategy. Interest rate derivative contracts are used to manage the risk of movements in variable interest rates on the Fund's borrowings.

Derivatives are measured at fair value with any changes in fair value recognised in the Consolidated Statement of Comprehensive Income as none of the derivative contracts have been identified as hedging instruments.

	2024 $'000	2023 $'000
Current assets		
Interest rate derivative contracts	**717**	468
Total current assets - derivative financial instruments	**717**	468
Non-current assets		
Interest rate derivative contracts	**731**	782
Total non-current assets - derivative financial instruments	**731**	782
Current liabilities		
Interest rate derivative contracts	**46**	–
Total current liabilities - derivative financial instruments	**46**	–
Non-current liabilities		
Interest rate derivative contracts	**303**	–
Total non-current liabilities - derivative financial instruments	**303**	–
Net derivative financial instruments	**1,099**	1,250

Note 7 Capital and financial risk management (continued)

c. Derivative financial instruments (continued)

The table below details a breakdown of the net fair value gain on derivatives in the Consolidated Statement of Comprehensive Income.

	2024 $000	2023 $000
Net fair value gain/(loss) on derivatives		
Interest rate derivative contracts	**(216)**	1,250
Total net fair value (loss)/gain of derivatives	**(216)**	1,250

Note 8 Interest bearing liabilities

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

If there is a substantial debt modification, the financial liability is derecognised from the Consolidated Statement of Financial Position and residual capitalised costs expensed to the Consolidated Statement of Comprehensive Income. If there is a non-substantial debt modification, the balance on the Consolidated Statement of Financial Position is adjusted and the difference between the present value of the new facility and carrying value of the original facility is recognised in the Consolidated Statement of Comprehensive Income.

All borrowings with contractual maturities greater than 12 months after reporting date are classified as non-current liabilities.

	2024 $000	2023 $000
Current		
Unsecured		
Bank loans	–	375,000
Total unsecured	–	375,000
Deferred borrowing costs	–	(244)
Total current liabilities - interest bearing liabilities	–	374,756
Non-current		
Unsecured		
Bank loans	**516,000**	316,500
Total unsecured	**516,000**	316,500
Deferred borrowing costs	**(1,322)**	(929)
Total non-current liabilities - interest bearing liabilities	**514,678**	315,571
Total interest bearing liabilities	**514,678**	690,327

Financing arrangements

The following table summarises the maturity profile of the Fund's financing arrangements:

Type of facility	Maturity Date	2024 Utilised $000	2024 Facility Limit $000
Bank debt facility - Tranche 1 Series	25 August 2026	**2,000**	**175,000**
Bank debt facility - Tranche 2 Series	25 August 2026	**157,000**	**200,000**
Bank debt facility - Tranche 3 Series	12 November 2025	**197,000**	**200,000**
Bank debt facility - Tranche 4 Series	12 November 2025	**75,000**	**75,000**
Bank debt facility - Tranche 5 Series	31 January 2026	**85,000**	**85,000**
Bank debt facility - Tranche 6 Series	31 October 2025	**–**	**65,000**
Total		**516,000**	**800,000**
Unused at balance date		**284,000**	

Debt refinancing arrangements

On 25 August 2023, the Fund's $200 million and $175 million bank debt facilities maturing on 12 November 2023 and 29 May 2024, respectively were refinanced. The terms were extended to 25 August 2026, with the facility limits remaining unchanged.

On 31 October 2023, the Fund entered into a new $65 million bank debt facility which matures on 31 October 2025.

Note 9 Commitments and contingencies

a. Commitments

Capital commitments

The following amounts represent capital expenditure on investment properties contracted at the end of each reporting period but not recognised as liabilities payable:

	2024 $000	2023 $000
Investment properties	**20,764**	76,471
Total capital commitments	**20,764**	76,471

Lease receivable commitments

The future minimum lease payments receivable by the Fund are:

	2024 $000	2023 $000
Within one year	**105,492**	121,747
Later than one year but not more than five years	**277,517**	337,710
Later than five years	**151,389**	253,613
Total lease receivable commitments	**534,398**	713,070

b. Contingencies

The Directors of the Responsible Entity are not aware of any contingent liabilities in relation to the Fund, other than those disclosed in the Notes to the Consolidated Financial Statements, which should be brought to the attention of unitholders as at the date of these Consolidated Financial Statements.

Note 10 Net assets attributable to unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. DWAPF's Constitution allows the AMIT tax regime to apply to DWAPF and the AMIT eligibility criteria have been met. DWAPF's Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders. As the Responsible Entity does not have any contractual obligations to pay distributions, and the units on issue comprise one class of units with identical features which are equally subordinate to any other financial instruments on issue, the Fund's net assets attributable to unitholders have been classified as equity in accordance with AASB 132 *Financial Instruments: Presentation*.

Units requested to be redeemed remain in equity until the redemption is satisfied. The amount payable on redemption of units will be determined based on the net asset value of the Fund as at the date the redemption is satisfied, and calculated in accordance with the withdrawal price formula set out in DWAPF's Constitution.

Net assets attributable to unitholders are made up as follows:

	2024 $000	2023 $000
Units on issue	**1,645,067**	1,741,302
Undistributed reserves/(accumulated losses)	**(350,844)**	(50,571)
Total net assets attributable to unitholders	**1,294,223**	1,690,731

Number of units on issue

	2024 No. of units	2023 No. of units
Opening balance	**1,313,139,620**	1,189,745,915
Applications	**86,600,492**	329,629,120
Distributions reinvested	**2,314,356**	2,625,995
Redemptions	**(155,330,425)**	(208,861,410)
Closing balance	**1,246,724,043**	1,313,139,620

Each unit confers upon the unitholder an equal interest in DWAPF, and is of equal value. A unit does not confer an interest in any particular asset or investment of DWAPF.

Unitholders have various rights under DWAPF's Constitution and the *Corporations Act*, which, subject to certain terms and conditions, includes the right to:

- have their units redeemed
- attend and vote at meetings of unitholders
- participate in the termination and winding up of DWAPF.

Note 10 Net assets attributable to unitholders (continued)

Issued and paid up units are initially recognised at the fair value of the consideration received by DWAPF. Applications received for units in DWAPF are recognised net of any transaction costs arising on the issue of units in DWAPF. Redemptions from DWAPF are recognised gross of any transaction costs payable relating to the cancellation of units redeemed. Unit entry and exit prices are determined in accordance with DWAPF's Constitution.

Withdrawal arrangements
On 31 October 2023, the Responsible Entity announced that it would aim to process and pay withdrawal requests within twelve months of receiving the request (applicable to withdrawal requests submitted after 1pm on 15 May 2023. Prior to this the Responsible Entity aimed to process withdrawal requests within six months of a specified withdrawal date). The Fund's Constitution allows withdrawal requests to be paid within 12 months of receipt or longer, subject to certain conditions. As at 30 June 2024, the estimated value of outstanding withdrawal requests was $216.6 million which are intended to be settled no later than 12 months after date of request. The amount payable on redemption of the units will be determined based on the unit price of the Fund as at the last valuation date before the Responsible Entity processes the payment of a withdrawal request and calculated in accordance with the withdrawal price formula set out in DWAPF's Constitution. At the date of this report, the Fund had available undrawn facilities of $206.0 million. The Responsible Entity has also identified a number of assets which are likely to be marketed for sale over the next 12 months and is actively looking to sell a number of these properties with the proceeds to be partly used to satisfy redemption requests.

Distribution reinvestment plan

The Fund has a distribution reinvestment plan (DRP) under which holders of units may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than by being paid in cash. During the financial year, units issued under the DRP were at the current net asset value price.

Further units are to be issued under the DRP in relation to the June 2024 distribution period.

Undistributed reserves

	2024 $000	2023 $000
Undistributed reserves - General reserve / (accumulated losses)	**(350,844)**	(50,571)
Total reserves	**(350,844)**	(50,571)
Movements:		
Opening balance at the beginning of the year	**(50,571)**	46,366
Net profit from operations before fair value adjustments	**57,099**	62,531
Net changes in the fair value of investment property	**(303,792)**	(94,727)
Net changes in the fair value of derivative financial instruments	**(216)**	1,250
Distributions to unitholders	**(53,364)**	(65,991)
Closing balance at the end of the year	**(350,844)**	(50,571)

Nature and purpose of reserves

The undistributed reserves comprise accumulated losses/general reserve and is predominantly used to record unrealised movements in the fair values of investment property and derivative financial instruments.

Note 11 Working capital

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Receivables

Rental income is brought to account on an accrual basis.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly.

A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

Note 11 Working capital (continued)

b. Receivables (continued)

The calculation of expected credit losses relating to rent and other receivables requires judgement to assess the future uncertainty of tenants' ability to pay their debts. Expected credit losses have been estimated using a provision matrix that has been developed with reference to the Fund's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Fund's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

For any provisions for expected credit losses, the corresponding expense has been recorded in the Consolidated Statement of Comprehensive Income within property expenses.

	2024 $000	2023 $000
Rent receivable	**4,269**	5,592
Less: provision for expected credit losses	**(1,718)**	(1,175)
Total rent receivables	**2,551**	4,417
Applications receivable	**274**	188
Other receivables and prepayments	**7,799**	5,490
Total other receivables	**8,073**	5,678
Total receivables	**10,624**	10,095

The provision for expected credit losses for rent receivables as at the reporting date reconciles to the opening loss allowances as follows:

	2024 $000	2023 $000
Opening provision for expected credit losses	**(1,175)**	(2,808)
Net expected credit losses utilised/written off/(provided for) during the financial year	**(543)**	1,633
Closing provision for expected credit losses	**(1,718)**	(1,175)

c. Other current assets

	2024 $000	2023 $000
Other[1]	**3,591**	–
Total other current assets	**3,591**	–

1 Other current assets includes $2.4 million for land tax for properties owned in Queensland, Western Australia and South Australia that are due during the year ending 30 June 2025.

d. Payables

	2024 $000	2023 $000
Custodian fees payable	**364**	395
Management fee payable	**3,991**	3,838
Accrued interest	**3,841**	1,815
Other payables[1]	**20,141**	14,009
Total payables	**28,337**	20,057

1 Other payables mainly consists of trade creditors of $9.1 million and accrued capital expenditure of $5.1 million.

e. Provisions

A provision is recognised when an obligation exists as a result of a past event, and it is probable that a future outflow of cash or other benefit will be required to settle the obligation.

Provision for land tax has been recognised in accordance with the requirements of AASB *Interpretation 21 Levies* which requires a provision to be recognised for land tax obligation on properties owned in Queensland, Western Australia and South Australia as at 30 June 2024 that are due during the year ending 30 June 2025.

	2024 $000	2023 $000
Provision for land tax	**2,380**	–
Total current provisions	**2,380**	–

Other disclosures

In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

Note 12 Audit and assurance fees

During the year, the Auditor and its related practices earned the following remuneration:

	2024 $	2023 $
Audit and review services		
Auditors of the Fund - Ernst & Young		
Financial Statement audit and review services	**144,578**	129,197
Audit and review fees paid to Ernst & Young	**144,578**	129,197
Assurance services		
Auditors of the Fund - Ernst & Young		
Outgoings audit	**–**	61,367
Compliance assurance services	**13,860**	13,200
Assurance fees paid to Ernst & Young	**13,860**	74,567
Total audit, review and assurance fees paid to Ernst & Young	**158,438**	203,764

Note 13 Cash flow information

a. Reconciliation of cash flows from operating activities

Reconciliation of net profit/(loss) for the year to net cash flows from operating activities.

	2024 $000	2023 $000
Net loss for the year	**(246,909)**	(30,946)
Movement in assets for lease incentives and straight-lining of rental income	**7,243**	3,400
Net fair value (gain)/loss of investment properties	**303,792**	94,727
Amortisation of deferred borrowing costs	**944**	733
Change in operating assets and liabilities		
(Increase)/decrease in receivables	**(443)**	(44)
(Increase)/decrease in other current assets	**(1,211)**	–
(Increase)/decrease in derivative financial instruments	**151**	(1,250)
Increase/(decrease) in payables	**5,425**	(1,576)
Net cash inflow from operating activities	**68,992**	65,044
Non-cash Investing and Financing Activities		
Reinvestment of distributions to unitholders	**2,662**	3,628
Acquisition of investment property satisfied by the issue of units to Dexus Group	**–**	274,470
Settlement of development fee obligation satisfied by the issue of units to Dexus Group	**23,393**	–

Note 14 Related parties

Responsible Entity

DCFM is the Responsible Entity of DWAPF and its controlled entity.

Related party transactions

All related party transactions are conducted on normal commercial terms and conditions unless otherwise stated.

Management, Custodian and Transaction Fees

In accordance with the Product Disclosure Statement, the ongoing management fee payable to the Responsible Entity is 0.42% (30 June 2023: 0.42%) per annum of the total gross asset value of the Fund plus 4.2% per annum (30 June 2023: 4.2% per annum) of the Fund's gross income, and it is assessed daily and payable on a quarterly basis.

In accordance with the Custody Agreement, the custodian fee payable is 0.04% (30 June 2023: 0.04%) of total gross investments of the Fund, and payable on a half yearly basis.

Transaction fees payable to the Responsible Entity or related entity were 0.40% (30 June 2023: 0.40%) of the purchase price in respect of each property acquired by the Fund and 0.50% (30 June 2023: 0.50%) of the gross sale proceeds in respect of each property disposed by the Fund.

	2024 $	2023 $
Management fees expensed during the financial year	**15,796,561**	15,233,997
Custodian fees expensed during the financial year	**792,982**	817,150
Transaction fees incurred during the financial year	**1,614,250**	–
Total management, custodian and transaction fees	**18,203,793**	16,051,147

Property Management Fees

Dexus Shopping Centres Pty Limited (formerly known as AMP Capital Shopping Centres Pty Limited), Dexus Office and Industrial Pty Limited (formerly known as AMP Capital Office & Industrial Pty Limited) and Dexus Property Services Pty Limited are related parties of the Responsible Entity which form part of the Dexus Group provide property management services (which includes leasing and minor development services) on normal commercial terms.

	2024 $	2023 $
Dexus Shopping Centres Pty Limited (formerly known as AMP Capital Shopping Centres Pty Limited)	**2,023,308**	2,394,435
Dexus Office and Industrial Pty Limited (formerly known as AMP Capital Office & Industrial Pty Limited)	**1,219,511**	1,836,623
Dexus Property Services Pty Limited	**274,114**	–
Total property management fees	**3,516,933**	4,231,058

In addition, for the financial year ended 30 June 2024, property management costs of $3,997,510 were recharged to the Fund (30 June 2023: $4,186,336). These recharges primarily relate to staff costs. A portion of these costs are recoverable from tenants.

Co-investment by Dexus group, development fee obligation and coupon income

On 31 January 2024, Dexus Group, via Dexus Property Trust, subscribed for a further co-investment stake in the Fund for total consideration of $68.0 million excluding transaction costs in relation to the development of 141 Anton Road, Brisbane. $23.4 million of this consideration received from Dexus Group represented an in-specie settlement of the development fee payable by the Fund to the Dexus Group for Stage 1 of the development. The remaining $44.6 million was received as cash consideration. When Stage 2 of the development achieves practical completion, the Fund will make a cash payment of $44.6 million to Dexus Group as final settlement of the remaining development fee obligation. As at 30 June 2024, $28.6 million of this obligation has been progressively accrued as a development fee liability in the Consolidated Statement of Financial Position and the remaining $16.0 million has been included in Commitments and contingencies in note 9(a).

During the year ended 30 June 2024, the Fund earned coupon income of $2.7 million from Dexus Group.

Note 14 Related parties (continued)

Interests in DWAPF units

Details of the relevant related party investors in the Fund, including the Responsible Entity, entities in the same group as the Responsible Entity, and other investment funds managed by the Responsible Entity are set out below:

Name	Number of units held at the end of the financial year	Interest held %	Number of units acquired during the financial year	Number of units disposed during the financial year	Distributions and returns of capital paid or payable during the financial year $
30 June 2024					
Dexus Australian Property Fund	**82,786,587**	**6.64%**	**–**	**9,376,186**	**5,341,344**
Dexus Funds Management Limited (as responsible entity of Dexus Property Trust)[1]	**311,486,402**	**24.98%**	**63,051,360**	**–**	**17,246,757**
30 June 2023					
AMP Limited	N/A	N/A	–	38,970,534	2,087,684
Dexus Australian Property Fund	92,162,773	7.02%	–	9,382,247	6,978,287
Dexus Funds Management Limited (as responsible entity of Dexus Property Trust)	248,435,042	18.92%	248,435,042	–	691,164

1 On 31 January 2024, Dexus Group (DXS) acquired a further co-investment stake in the Fund for total consideration of $68.0 million excluding transaction costs.

Key Management Personnel

AASB 124 "Related Party Disclosures" defines key management personnel ("KMP") as including all Non-Executive Directors, Executive Directors and any other persons having authority or responsibility for planning, directing and controlling the activities of the Fund. The Fund has no direct employees, however the Directors of the Responsible Entity have been deemed to be Directors of the Fund. These individuals comprise the KMP of the Fund.

Key management personnel services are provided by the Responsible Entity and the remuneration paid to the Responsible Entity is detailed above. No Director of the Responsible Entity was paid any remuneration by the Fund during the financial year. Compensation paid to these Directors by the Responsible Entity, or related entities of the Responsible Entity, is not related to services they render to individual funds.

Note 15 Parent entity disclosures

Accounting policies of the controlled entity are consistent with the policies adopted by DWAPF.

In this note, investment in the controlled entity is accounted for at fair value based on the Net Tangible Assets of the controlled entity as at the end of each reporting period and fair value movements are taken to the Consolidated Statement of Comprehensive Income.

Note 15 Parent entity disclosures (continued)

a. Summary financial information

The individual Financial Statements for the parent entity show the following aggregate amounts:

	2024 $000	2023 $000
Total current assets	**18,928**	64,141
Total assets	**1,887,749**	2,424,861
Total current liabilities	**78,545**	418,559
Total liabilities	**593,526**	734,130
Units on issue	**1,645,067**	1,741,302
Undistributed reserves	**(350,844)**	(50,571)
Net assets attributable to unitholders - equity	**1,294,223**	1,690,731
Net profit/(loss) attributable to unitholders for the year	**(246,909)**	(30,946)
Total comprehensive income/(loss) for the year	**(246,909)**	(30,946)

Investment in controlled entities

The parent entity has the following investments:

Name of entity	Principal activity	2024 %	2023 %
Wholesale Australian Property Fund (A-REIT)	Listed investments	**99.99**	99.97

b. Guarantees entered into by the parent entity

Refer to note 9 for details of guarantees entered into by the parent entity.

c. Contingent liabilities

The parent entity has no contingent liabilities. Refer to note 9 for the Fund's contingent liabilities.

d. Capital commitments

The following amounts represent capital expenditure of the parent entity on investment properties contracted at the end of the reporting period but not recognised as liabilities payable:

	2024 $000	2023 $000
Investment properties	**20,764**	76,471
Total capital commitments	**20,764**	76,471

e. Going concern

The parent entity is a going concern. The Fund has unutilised facilities of $284.0 million (2023: $58.5 million) (refer to note 8) and sufficient working capital and cash flows in order to fund all of its requirements as at 30 June 2024.

Note 16 Subsequent events

On 6 September 2024, DWAPF exchanged contracts for the disposal of 425 Collins Street, Melbourne for a contract price of $40 million excluding transaction costs and estimated settlement adjustments.

Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt within the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or state of the Fund's affairs in future financial periods.

Directors' Declaration

The Directors of Dexus Capital Funds Management Limited as Responsible Entity of Dexus Wholesale Australian Property Fund (DWAPF) declare that the Consolidated Financial Statements and Notes set out on pages 6 to 29:

i. Comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii. Give a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.

In the Directors' opinion:

a. The Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001*;

b. There are reasonable grounds to believe that DWAPF will be able to pay its debts as and when they become due and payable; and

c. DWAPF has operated in accordance with the provisions of the DWAPF Constitution (as amended) during the year ended 30 June 2024.

The Consolidated Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Director
20 September 2024

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Independent auditor's report to the Unitholders of Dexus Wholesale Australian Property Fund

Opinion

We have audited the financial report of Dexus Wholesale Australian Property Fund (the "Fund") and its controlled entity (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets attributable to unitholders – equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the declaration of the directors of Dexus Capital Funds Management Limited, the Responsible Entity of the Fund.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors of the Responsible Entity are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

► Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
Sydney
20 September 2024